



HONG KONG MONETARY AUTHORITY
香港金融管理局

Banking Policy Department

Our Ref: B1/15C
B9/75C

22 April 2022

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Banking (Capital) (Amendment) Rules 2022

I am writing to inform you that the Banking (Capital) (Amendment) Rules 2022 (“BCAR 2022”) were published in the Gazette today.

The amendments contained in the BCAR 2022 are mainly to implement the capital standard set out in the document entitled *Capital requirements for banks’ equity investments in funds* issued by the Basel Committee on Banking Supervision. The capital standard introduced a hierarchy of three approaches with varying degrees of risk sensitivity for setting capital requirements for banks’ equity investments in funds. The BCAR 2022 also contain an amendment to designate the Hong Kong Export Credit Insurance Corporation as a domestic public sector entity for preferential risk-weighting treatments by locally incorporated authorized institutions.

The BCAR 2022 will be tabled before the Legislative Council for negative vetting on 27 April 2022. Subject to the views of the Legislative Council, the subsidiary legislation should come into operation on 1 July 2022.

We will inform you once the negative vetting process has been completed.

Yours faithfully,

Daryl Ho
Executive Director (Banking Policy)

cc: The Chairperson, The Hong Kong Association of Banks
The Chairperson, The DTC Association
FSTB (Attn: Mr Justin To)